Seat No. : _____

MJ-110

December-2016

B.B.A., Sem.-III

CC-204 : Managerial Economics – I

Time : 3 Hours]　　　　　　　　　　　　　　　　　　　　　　[Max. Marks : 70

1. (a) Define Managerial Economics. Discuss its scope in detail.　　　7

    OR

    Differentiate :
    (i) Individual demand and market demand.
    (ii) Demand for durable goods and non-durable goods.

   (b) Discuss the main characteristics of Managerial Economics in detail.　　　7

    OR

    Define Demand Forecasting. Explain the indirect methods of demand forecasting.

2. (a) Explain the consumer equilibrium with the help of indifference curve and price line.　　　7

    OR

    Explain the characteristics of indifference curve with the help of diagram.

   (b) Write a note on consumer surplus with reference to ordinal approach.　　　7

    OR

    Explain the price effect and substitution effect in detail.

3. (a) Explain the types of cross elasticity of demand.　　　7

    OR

    Explain the factors affecting price elasticity of demand.

   (b) Explain the types of price elasticity of demand.　　　7

    OR

    Calculate cross elasticity of demand between tea and coffee on the basis of the following data :

Commodity	Original		New	
	Price (₹)	Quantity (Units)	Price (₹)	Quantity (Units)
Tea	3	50	3	60
Coffee	4	30	5	20

MJ-110　　　　　　　　　　　　　　1　　　　　　　　　　　　　　**P.T.O.**

4. (a) Explain the law of variable proportion with diagram. **7**

OR

Explain the concept of Fixed Cost, Variable Cost and Total Cost with the help of diagram.

(b) Explain the concept of Returns to Scale in detail. **7**

OR

Write notes on :

(i) Opportunity cost

(ii) Average cost and marginal cost

5. Answer the following questions : **14**

(1) Define positive approach.

(2) Give any two examples of consumer perishable goods demand.

(3) Define Demand Forecasting.

(4) Managerial Economics is _____

    (a) positive   (b) Normative

    (c) Both (a) and (b)   (d) Neither

(5) Define price effect.

(6) Indifference curve analysis is based on _____ approach.

(7) Slope of AFC is _____.

    (a) Rectangular Hyperbola   (b) Positive

    (c) Horizontal   (d) Vertical

(8) Trend projection method is direct method of demand forecasting. (True/False)

(9) Define Production Function. GujaratStudy.com

(10) Non-durable goods are used more than one time. (True/False)

(11) Define Opportunity Cost.

(12) What would be EC, when x and y are complementary goods ?

    (a) Positive   (b) Negative

    (c) Zero   (d) Infinite

(13) Define Iso-quant curve.

(14) All costs are variable in short-run. (True/False)

_____